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TRANSCRIPT OF RECORD.

SUPREME COURT OF THE UNITED STATES.

No. ~~1063~~. 705

THE UNITED STATES, PLAINTIFF,

vs.

EMIL STEFFENS.

ON A CERTIFICATE OF DIVISION IN OPINION BETWEEN THE JUDGES OF THE CIRCUIT COURT OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK.

FILED JANUARY 8, 1879.

W. Wood
Solicitor's Office

SUPREME COURT OF THE UNITED STATES.

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1 *Indictment.*

At a term of the circuit court of the United States for the southern district of New York, held on the third Monday of October, 1878.

Present, Hon. Samuel Blatchford, circuit judge; Hon. Charles C. Benedict, district judge.

THE UNITED STATES
vs.
EMIL STEFFENS.

Whereas a question has occurred in the above-entitled cause, before the circuit court aforesaid, upon which the judges holding said court to wit, the judges above-named, are divided in opinion, and the United States attorney prosecuting in behalf of the United States, and Benjamin B. Foster, esquire, of counsel for the defendant, have requested that the point upon which the said judges so disagree be stated under the direction of the said judges and certified under the seal of the court

2 to the Supreme Court of the United States at the present session:

Now, therefore, it is hereby accordingly stated and certified as follows, to wit:

On the seventh day of May, 1878, an indictment was presented in the circuit court of the United States for the southern district of New York, charging Emil Steffens with the offences described in the fourth and fifth sections of the act of Congress entitled "An act to punish the counterfeiting of trade-mark goods, and the sale or dealing in of counterfeit trade-mark goods," approved August 14, 1876.

The following is a copy of said indictment:

3 Circuit court of the United States of America for the southern district of New York, in the second circuit.

At a stated term of the circuit court of the United States of America for the southern district of New York, in the second circuit, begun and held at the city of New York, within and for the district and circuit aforesaid, on the second Wednesday of March, in the year of our Lord one thousand eight hundred and seventy-eight, and continued by adjournment to and including the seventh day of May, in the year of our Lord one thousand eight hundred and seventy-eight.

SOUTHERN DISTRICT OF NEW YORK, *ss:*

The jurors of the United States of America, within and for the district and circuit aforesaid, on their oaths present:

That on the second day of September, in the year of our Lord one thousand eight hundred and seventy-six, one George Hermann

4 Mumm and one Peter Hermann Mumm, and one Max Von Guaita were each and all residents of and domiciled in the city of Frankfort-sur-Main (Frankfort-on-the-Main), in the Empire of Germany, and on the second day of September one Alexander De Bary was a resident of and domiciled in the city of Rheims (sometimes spelled Reims), in the Republic of France; that on said second day of September said George Hermann Mumm, said Peter Hermann Mumm, said Max Von Guaita, and said Alexander De Bary were members of and constituted a firm, which firm theretofore for a long time had been and then was as

such engaged in business and domiciled at said city of Rheims in said Republic of France, under the firm name of G. H. Mumm & Co., in the business of manufacturing and selling champagne wine.

That on the said second day of September the said firm of G. H. Mumm & Co. were and for a long time prior thereto had been entitled
5 to the exclusive use of a certain lawful trade-mark for and upon champagne wine, and upon the bottles, cases and other packages containing the same, and wherein the same were put up, the said trade-mark being the same which is hereinafter more particularly described and distinguished as the trade-mark numbered three thousand nine hundred and eighty-six.

That the said firm on said second day of September, for the purpose of obtaining for itself protection within the United States of America for such lawful trade-mark (the said Republic of France, and also said Empire of Germany, being countries which, by conventions, then afforded, and have since afforded and now afford, similar privileges to citizens of the United States of America), duly deposited in the Patent Office of the United States of America for recording and registration, and caused to be duly recorded in said Patent Office of the United States, a statement specifying and setting forth the name and place of residence of said firm, which firm was then and there the party de-
6 siring the protection of the trade-mark specified in said statement, to wit, the trade-mark of said firm of G. H. Mumm & Co., hereinafter more fully described, the place of business of said firm, the class of merchandise, and the particular description of goods comprised in such class by which the said trade-mark had been and was intended to be appropriated, a description of the said trade-mark itself, with fac-similes thereof showing the mode in which it, the said trade-mark, had been applied and used, and the length of time during which the said trade-mark had been in use.

That the said description of the said trade-mark was in part as follows, to wit:

"The trade-mark that is the subject of the application of which this specification forms a part (meaning the trade-mark hereinbefore referred to) consists of the words and letters 'G. H. Mumm & Co., Rheims,' accompanied by the circular design as shown in the accompanying label. The border of said labels, the words 'Extra dry' and 'Dry
7 Verzenay,' and the words and figures below the dash, as well as the dash itself, may be any and all of them omitted, or varied in whole or in part, without affecting the trade-mark sought to be protected, which consists, as aforesaid, of the words and letters 'G. H. Mumm & Co., Rheims,' and the circular design arranged and disposed as shown in said accompanying labels."

That said statement, filed on said second day of September, as aforesaid, was then and there accompanied by a written declaration duly and legally verified by said Peter Hermann Mumm, who was, on said second day of September, and is now, a member of the said firm of G. H. Mumm & Co., to the effect that said firm of G. H. Mumm & Co., which firm was then and there the party claiming protection for the said trade-mark referred to and described in the said statement filed as aforesaid, had a right to the use of the said trade-mark referred to and described in the said statement; that no other person, firm, or corporation had the right to such use, either in the identical form or in any such near
8 resemblance thereto as might be calculated to deceive; and that the description and fac-similes presented for record were true copies of the said trade-mark sought to be protected as aforesaid by

said firm of G. H. Mumm & Co. That on said second day of September, said firm of G. H. Mumm & Co. did make payment of a fee of twenty-five dollars in the same manner and for the same purpose as the fee required for patents of the said United States, and did, on said second day of September, also comply in all respects with all the regulations prescribed by the Commissioner of Patents of said United States, then in full force, concerning the registration of trade-marks

Thereafter, upon due and full compliance on the part of the said firm of G. H. Mumm & Co. with all the requirements of law in such case made and provided, as also with all the regulations theretofore in such cases prescribed by the Commissioner of Patents of said United States, and then in force, the said trade-mark was, on the twelfth day of September, in the year of our Lord one thousand eight hundred and seventy-six, duly registered, pursuant to the statutes of said United States, and recorded in said Patent Office of the United States of America, and was then and there designated by a certain name, to wit: "Trade-mark for Champagne Wine," and by a certain number, to wit, "three thousand nine hundred and eighty-six"; that on the eighteenth day of August, in the year of our Lord one thousand eight hundred and seventy-seven, said trade-mark was in full force and effect in said United States.

That on the day and year last aforesaid, at the city of New York and within the southern district of New York, and within the jurisdiction of this court, Emil Steffens did, with intent to defraud said firm of G. H. Mumm & Co., and said George Hermann Mumm, Peter Heramnn Mumm, Max Van Guaita, and Alexander De Bary, and divers other persons to the jurors aforesaid unknown, knowingly and willfully
10 have in his possession a representation, likeness, similitude, copy and colorable imitation of said trade-mark of said G. H. Mumm & Co. registered pursuant to the statutes of the United States, the said Emil Steffens then and there well knowing that the said representation, likeness, similitude, copy and colorable imitation of said trade-mark was a false, spurious, and counterfeit representation, likeness, similitude, copy and colorable imitation of said trade-mark of said G. H. Mumm & Co., contrary to and against the peace of the United States, and their dignity, and against the form of the statutes of the said United States in such case made and provided.

SECOND COUNT.

And the jurors aforesaid, on their oath aforesaid, do further present that on the second day of September, in the year of our Lord one thousand eight hundred and seventy-six, one George Hermann Mumm, one Peter Hermann Mumm; and one Max Van Guaita, were each and
11 all residents of and domiciled in the city of Frankfort-sur-Maine (Frankfort-on-the-Maine) in the Empire of Germany, and were subjects of the Emperor of Germany, and on said second day of September, one Alexander De Bary was a resident of and domiciled in the city of Rheims (sometimes spelled Reims), in the Republic of France, and was a citizen of said Republic of France; that on said second day of September said George Hermann Mumm, said Peter Hermann Mumm, said Max Van Guaita, and said Alexander De Bary were members of and constituted a firm, which firm theretofore for a long time had been and then was as such engaged in business and domiciled at said city of Rheims, in said Republic of France, under the firm name of G. H. Mumm & Co., in the business of manufacturing and selling champagne wine.

That on said second day of September, the said firm of G. M.
12 Mumm & Co. were, and for a long time prior thereto had been entitled to the exclusive use of a certain lawful trade-mark for and upon champagne wine, and upon the bottles, cases, and other packages containing the same, and wherein the same were put up, the said trade-mark being the same which is hereinafter more particularly distinguished as the trade-mark numbered three thousand nine hundred and eighty-six.

That the said firm on said second day of September, for the purpose of obtaining for itself protection within the United States of America for such lawful trade-mark (the said Republic of France and also said Empire of Germany being countries which, by conventions, then afforded, and have ever since afforded, and now afford, similar privileges to citizens of the United States of America), duly deposited in the Patent Office of the United States of America for recording and registration, and caused to be duly recorded in said Patent Office of the United States,
a statement specifying and setting forth the name and place of
13 residence of said firm, which firm was then and there the party desiring the protection of the trade-mark specified in said statement, to wit, the trade-mark of said firm of G. H. Mumm & Co., hereinafter more fully described, the place of business of said firm, the class of merchandise, and the particular description of goods comprised in such class by which said trade-mark had been and was intended to be appropriated, a description of the said trade-mark itself, with fac-similes thereof showing the mode in which it, the said trade-mark, had been applied and used and the length of time during which the said trade-mark had been in use.

That the said description of the said trade-mark was in part as follows, to wit:

"The trade-mark that is the subject of the application of which this specification forms a part (meaning the trade-mark hereinbefore referred to), consists of the words and letters 'G. H. Mumm & Co., Rheims,' accompanied by the circular design as shown in the accompanying
14 labels. The border of said labels, the words 'Extra Dry' and 'Dry Verzenay,' and the words and figures below the dash, as well as the dash itself, may be, and any and all of them, omitted or varied, in whole or in part, without affecting the trade-mark sought to be protected, which consists as aforesaid of the words and letters 'G. H. Mumm & Co., Rheims,' and the circular design arranged and disposed as shown in said accompanying labels."

That said statement filed on said second day of September, as aforesaid, was then and there accompanied by a written declaration duly and legally certified by said Peter Hermann Mumm, who was on said second day of September and is now a member of the said firm of G. H. Mumm & Co., to the effect that said firm of G. H. Mumm & Co., which firm was then and there the party claiming protection for the said trade-mark referred to and described in the said statement filed as aforesaid, had a right to the use of the said trade-mark referred to and de-
15 scribed in the said statement; that no other person, firm, or corporation had the right to such use, either in the identical form or in any such near resemblance thereto as might be calculated to deceive; and that the description and *fac similes* presented for record were true copies of the said trade-mark sought to be protected as aforesaid by said firm of G. H. Mumm & Co.

16 That on the second day of September, said firm of G. H. Mumm & Co. did make payment of a fee of twenty-five dollars in

the same manner and for the same purpose as the fee required for patents of the said United States, and did, on said second day of September, also comply in all respects with all the regulations prescribed by the Commissioner of Patents of said United States then in force concerning the registration of trade-marks.

That thereafter, upon due and full compliance on the part of said firm of G. H. Mumm & Co. with all the requirements of law in such case made and provided, as also with all the regulations theretofore in such case prescribed by the Commissioner of Patents of said United States and then in force, the said trade-mark was, on the twelfth day of September, in the year of our Lord one thousand eight hundred and seventy-six, duly registered pursuant to the statutes of the United States, and recorded in the said Patent Office of the United States of America, and was then and there designated by a certain name, to wit, "Trade-mark for Champagne Wine," and by a certain number, to wit, "three thousand nine hundred and eighty-six."

17

That on the eighteenth day of August, in the year of our Lord one thousand eight hundred and seventy-seven, said trade-mark was in full force and effect in said United States.

That on the day and year last aforesaid, at said city of New York, in said southern district of New York, and within the jurisdiction of the court, Emil Steffens did, with intent to defraud said firm of G. H. Mumm & Co., and said George Hermann Mumm, Peter Hermann Mumm, Max Von Guita, and Alexander De Bary, and divers other persons to the jurors aforesaid unknown, knowingly and wilfully sell to one Charles E. Benedict, and to one Frank D. Chapman, a large number of representations, similitudes, likenesses, copies, and colorable imitations of the said trade-mark of said G. H. Mumm & Co., registered pursuant to the statutes of the United States as aforesaid, the said Emil Steffens then and there well knowing that the large number of representations, likenesses, copies, and colorable imitations of said trade-mark of G. H. Mumm & Co. were false, spurious, and counterfeit representations, similitudes, and colorable imitations of the said trade-mark of said G. H. Mumm & Co., contrary to and against the peace of the said United States and their dignity, and against the form of the statutes of the said United States in such case made and provided.

18

STEWART L. WOODFORD,
U. S. Attorney.

(Endorsed:) U. S. circuit court. The United States of America vs. Emil Steffens. Indictment for having in possession counterfeit trade-marks. (19 Stat. at Larg., ch. 274, p. 141.) Stewart L. Woodford, U. S. district attorney.

19 A true bill.

OLIVER BRYAN,
Foreman.

U. S. circuit court.

Filed May 7, 1878.

JOHN I. DAVENPORT, *Clerk.*

On the 13th day of May, 1878, a demurrer was interposed which was argued before Hon. Charles L. Benedict, holding a circuit court of the

United States in and for said district, on the 29th day of May, *of May*, 1878, who afterward ordered a reargument of the same at the term of the court required to be held on the third Monday of October, 1878.

The following is a copy of said demurrer:

U. S. circuit court, southern district of New York.

UNITED STATES }
v.
EMIL STIFFINS. }

20 And the said Emil Stiffins, by his attorney, comes into court, and having heard the indictment read, says that the same and the matters therein contained in manner and form as the same are therein stated and set forth are not sufficient in law, and that he is not bound by the law of the land to answer the same.

Wherefore, for want of a proper indictment in this behalf, the said Emil Steffins prays judgment, and that he be by the court here dismissed and discharged from the premises in said indictment specified.

FOSTER & ADAMS,
Attorneys for Demurrant.

(Endorsed:) Circuit court of the United States for the southern district of New York. United States vs. Emil Steffins. Demurrer.
21 Foster & Adams, attorneys for demurrant, 317 Broadway, N. Y.
Filed May 13th, 1878.

The question aforesaid and the point aforesaid is this:

"Can the act of Congress, approved August 14th, 1876, entitled 'An act to punish the counterfeiting of trade-mark goods and the sale or dealing in of counterfeit trade-mark goods,' under which this indictment is found, be upheld, wholly or in part, as a law necessary and proper for carrying into execution any of the powers vested in the Congress by the Constitution of the United States?"

And this certificate, with an abstract of the record, the clerk of this court is directed to certify under the seal of the court to the Supreme Court of the United States at its present session.

January 8th, 1879.

SAM'L BLATCHFORD,
Circuit Judge.
CHA'S L. BENEDICT,
District Judge.

Filed Jan'y 8th, 1878.

22 At a stated term of the circuit court of the United States of America for the southern district of New York, in the second circuit, held at the United States court-rooms, in the city of New York, on Tuesday, the 7th day of May, in the year of our Lord one thousand eight hundred and seventy-eight.

Present, the honorable Judge Benedict, circuit judge.

The grand jury come into court and present the following indictment:

THE UNITED STATES }
vs.
EMIL STEFFENS. }

For having in possession counterfeit trade-marks.

23 At a stated term of the circuit court of the United States of America for the southern district of New York, in the second circuit, held at the United States court rooms, in the city of New York, on Wednesday, the 29th day of May, in the year of our Lord one thousand eight hundred and seventy-eight.

Present, the honorable Judge Benedict, circuit judge.

THE UNITED STATES
vs.
EMIL STEFFENS.

The argument of the demurrer to the indictment in the above entitled cause coming on to be heard—

Benj. B. Foster, esq., is heard in favor of demurrer.

Rowland Cox, esq., is heard in opposition to same.

Curia advisari vult.

24 At a stated term of the circuit court of the United States of America for the southern district of New York, in the second circuit, held at the United States court rooms in the city of New York, on Wednesday, the 11th day of December, in the year of our Lord one thousand eight hundred and seventy-eight.

Present, the honorable Judge Benedict, circuit judge.

THE UNITED STATES
vs.
EMIL STEFFENS.

Ordered, That the demurrer in the above cause be reargued.

25 UNITED STATES OF AMERICA,
Southern District of New York, ss:

I, John I. Davenport, clerk of the circuit court of the United States of America for the southern district of New York, in the second circuit, do hereby certify that the foregoing pages, numbered from one to twenty-four inclusive, contain a true and complete transcript of the record and proceedings had in said court in the case of The United States against Emil Steffens, as the same remain of record and on file in said office.

In testimony whereof I have caused the seal of the said court to be hereunto affixed, at the city of New York, in the southern district of New York, in the second circuit, this eighth day of January, in the year of our Lord one thousand eight hundred and seventy-nine, and of the Independence of the said United States the one hundred and third.

[SEAL.] JOHN I. DAVENPORT,
Clerk.

(Indorsement on cover:) No. 1063. The United States, plaintiffs, vs. Emil Steffens. S. New York. C. C. U. S. Filed 8th January, 1879.

In the Supreme Court of the United States.

THE UNITED STATES
vs.
EMIL STEFFENS. } No. 705.

THE UNITED STATES
vs.
ADOLPH WITTEMAN. } No. 711.

ON CERTIFICATES OF DIVISION IN OPINION BETWEEN THE JUDGES OF THE CIRCUIT COURT OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK.

In the Supreme Court of the United States.

THE UNITED STATES
vs.
EMIL STEFFENS. } No. 705.

THE UNITED STATES
vs.
ADOLPH WITTEMAN. } No. 711.

ON CERTIFICATES OF DIVISION IN OPINION BETWEEN THE JUDGES OF THE CIRCUIT COURT OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK.

These cases are indictments, charging the defendants with the violation of the act of Congress approved August 14, 1876, entitled "An act to punish the counterfeiting of trade-mark goods, and the sale or dealing in of trade-mark goods."

The first count in the indictment against Steffens charges him with knowingly and wilfully having in his possession counterfeits and colorable imitations of the trade-marks of G. H. Mumm & Co., of Rheims, France, manufacturers and sellers of champagne wine.

The second count charges the defendant with knowingly and wilfully selling counterfeited representations

and colorable imitations of G. H. Mumm & Co.'s trade-mark.

The indictment is found upon sections 4 and 5 of the act, 19 Stats., pp. 141–2.

In the case against Adolph Witteman the indictment contains six counts, all found upon the fifth section of the act, and they charge: 1st, the counterfeiting and forging; 2d, the having in possession colorable imitations of; 3d, the buying; 4th, the selling; 5th, the offering for sale; and 6th, the dealing in colorable imitations of the private trade-mark belonging to and used by the firm of Kunkleman & Co., of Rheims, France, manufacturers and dealers in wine known as the "Piper Heidsick" brand of champagne wine.

The cases are alike. They both grow out of the counterfeiting and fraudulent dealing in colorable imitations of *foreign trade-marks*, which trade-marks are owned and used by the manufacturers of two of the most popular and best known wines of France.

In each case the demurrer is general—to the whole indictment. And the single question in each case is this:

"Can the act of Congress, approved August 14, 1876, entitled 'An act to punish the counterfeiting of trade-mark goods, and the sale or dealing in of trade-mark goods,' under which this indictment is found, be upheld wholly or in part, as a law necessary and proper for carrying into execution any of the powers vested in the Congress by the Constitution of the United States?"

Or, briefly, Is the act Constitutional in whole or in part?

Also, incidentally, as connected with the act in ques-

tion and in *pari materia* with it, is involved the validity of that portion of the act of July 8, 1870 (16 Stats., 198), entitled "An act to revise, consolidate, and amend the statutes relating to patents and copyrights," which relates to trade-marks. Sections 77 to 84, inclusive, are upon this subject; the same or corresponding sections are numbered 4937 to 4947 in the Revised Statutes, pp. 955–56.

It may be well to note here that in the original act the sections relating to trade-marks are thrown into the body of the act concerning patents and copyrights, and in the Revised Statutes the three subjects are brought together under one title, thus: "Title LX, Patents, Trade-Marks, and Copyrights."

The validity of the act of July 8, 1870 (which provides for the registration of trade-marks, and remedies by civil actions for their infringement), was recognized by Mr. Justice Clifford, who delivered the opinion of the court in McLean *v.* Fleming, 96 U. S., 245.

The first sentence of the opinion, page 248, is as follows:

"Protection for lawful trade-marks may be obtained by individuals, firms, or corporations entitled to the same, if they comply with the requirements prescribed by the act of Congress; and the provision is, that a trade-mark duly registered as required shall remain in force thirty years from the date of such requisition, subject to an exception not necessary to be noticed. (16 Stat., 210, Rev. Stat., sections 4937–4941.)"

Here it is clearly intimated *that protection for trade-marks is rightfully provided by Congress.* For if the act cited is invalid, no protection could be obtained under it.

There is but one step further to our case. If protection to trade-marks by civil remedies is within the power of Congress, the whole subject is within its power; and statutes denouncing punishment against pirating upon property in trade-marks as a crime are Constitutional. But in this case and in several cases in the circuit court, which are cited on the margin of page 955 of the Revised Statutes, the question of the constitutionality of the act was not raised. In all these cases and many others its validity under the Constitution has been assumed, rather than directly affirmed. The cases alluded to above are Smith *v.* Reynolds, 10 Blatch., 85; Smith *v.* Reynolds, 10 Blatch., 100; Smith *v.* Reynolds, 13 Blatch., 458; Osgood *v.* Rockwood, 11 Blatch., 310; Moorman *v.* Hodge, 2 Saw., 78.

Except the case now before the court, the question has been raised in only two others of which there is any report—one in the circuit court for the southern district of Ohio, Duevel *v.* Bohmer, reported in the Cincinnati Law Bulletin for July 22, 1878, and the other in the circuit court for the eastern district of Wisconsin, reported in the Chicago Legal News for November 16, 1878.

These cases were decided respectively by the district judges of those circuits, and different conclusions were reached; Judge Swing, of the Ohio circuit, holding the law to be constitutional; Judge Dyer, of the Wisconsin circuit, deciding that it is unconstitutional.

In both these cases the question was argued and decided upon the eighth clause of section 8, article 1, of the Constitution—the patent and copyright clause—the judges agreeing that that is the only clause from which the authority of Congress over the subject of trade-marks

can be derived.' And, indeed, the argument drawn from the likeness that property in the use of trade-marks bears to that which exists in patents and copyrights, and from the fact that Congress, in legislating upon these three matters, has, both in the original act and in the Revised Statutes, classed them together, demands careful consideration.

Undoubtedly in the legislative minds they were kindred subjects, and the power of Congress over them (it was thought) might be derived from the same source.

I shall, however, leave this argument to the court, referring to the opinion of Judge Swing, which is filed as an appendix to this brief.

We maintain the constitutionality of the statute upon which this information is found, upon the ground that it is an act regulating commerce within the power given to Congress by the third clause of the eighth section of article 1 of the Constitution—the commerce clause of the Constitution.

"The Congress shall have power to regulate commerce with foreign nations and among the several States and with the Indian tribes."

I. This power extends to and embraces all lawful means and instrumentalities by which trade is conducted.

"Commerce is traffic," says Mr. Justice Swayne, "but it is much more. It embraces, also, transportation by land and water, and all the *means* and *appliances* necessarily employed in carrying it on." Railroad Company *v.* Fuller, 17 Wall., 560.

In a recent case, Welton *v.* State of Missouri (91 U. S., 275), the court, speaking through Mr. Justice Field, says:

"Commerce is a term of the largest import. It comprehends intercourse for the purposes of trade in any and all its forms, including transportation, purchase, sale and exchange of commodities, between the citizens of our country and the citizens or subjects of other countries, and between the citizens of different States. The power to regulate it embraces all the instruments by which such commerce may be conducted. So far as some of these instruments are concerned, and some subjects which are local in their operation, it has been held that the States may provide regulations until Congress acts with reference to them; but where the subject to which the power applies is national in its character, *or of such a nature as to admit of uniformity of regulation*, the power is exclusive of all State authority."

This is a comprehensive and lucid statement of what is meant by the term commerce as used in the Constitution, and of the extent of the power of Congress over it. (See, also, Pen. Tel. Co. *v.* West. Un. Tel. Co., 96 U. S., 1.)

It is but the condensation of the deliverances of this court in exposition of the commerce clause of the Constitution, in several leading cases, which are very familiar and need not here be cited.

We shall use the passage as the foundation of what we shall say in upholding the legislation of Congress in regard to trade-marks.

The purchase and sale of commodities, then, is included in the term commerce, and the power of Congress over it embraces all the instruments, aids, and appliances by which traffic is prosecuted. True, such trade and intercourse must be foreign, or "among" the citi-

zens of the different States; but if the instrumentalities employed as aids to such trade and commerce are not local in their operation, and of such a nature as to admit of uniformity of regulation, the power of Congress not only applies to them, but it is exclusive.

II. *Trade-marks* are important instrumentalities, aids or appliances by which trade, especially in modern times, is conducted. They are the means by which manufacturers and merchants distinguish their manufactures and merchandise from those of others. They are the symbols by which business men engaged in trade and manufactures become known in the marts of commerce, by which their reputations and the reputation of their goods is extended and published; and as they become better known the profits of their business are enhanced.

Hence the use of trade-marks by manufacturers and commercial men has become universal.

In all trade and business of any extent they are *necessary* auxiliaries.

Among commercial nations there is a growing tendency to universal recognition of these emblems of commerce. (Brown on Trade-Marks, sec. 302.)

So important are they considered, and so necessary their use as aids to the exchange of commodities in the great markets of the world, and so essential their protection to the interests of commerce that they have been made the subject of treaties between nations—notably between the United States and France, the German Empire, Belgium, Austria, and Russia.× The English "Merchandise Marks Act" of 1862, affords the same protection to foreigners that it does to the subjects of Great Britain. (Brown on Trade-Marks, page 565.)

× See "declaration" between the United States and Great Britain of Oct 24. 1877 — 20 Stats. 704. Also "agreement" between U.S. and Brazil for the protection of Trade Marks, concluded Sept. 24. 1878 — 1 Bamph. Laws. 1st Sess. 46 Cong. "Conventions". page 1.

The necessity for the use of these marks and symbols of trade is shown by the universality of their use by all trading peoples, ancient and modern. (Brown on Trade-Marks, introductory chapter.)

Artisans, manufacturers, and merchants in all ages have used them in aid of their handicrafts, and of their their trade.

What the commercial world has in the past and now considers necessary in carrying on the world's business must be held such.

The main object of commerce is the sale and exchange of commodities. All material and necessary aids to the sale and exchange of commodities are instruments of commerce.

It follows, that, trade-marks being necessary instruments of trade, the protection of them by law is a regulation of commerce and is within the power of Congress.

III. The subject of trade-marks is not one of *local* but of general interest, of common interest throughout all commercial nations. Their use and operation, and the benefits derived from their use, are not confined to particular localities, States, or countries. They not only admit of, but in order to their efficiency and to insure the full benefit of them, they require uniformity of regulation.

It is not in New York only, but throughout the country, wherever there is a market for wine, that the owners of the trade-marks, which the indictments in these cases allege were counterfeited by the defendants, need protection. These owners have a right to whatever reputation they may have gained as manufacturers of champagne wine, and that the symbols by which their product is known shall be everywhere respected.

They are injured whenever and wherever the device by which their product is known is adopted by others for a similar article, because such adoption is in effect representing falsely that the productions of the latter are those of the former. Thus the profits and advantages to which the enterprise and skill of the true owners of the trade-marks have given them a just right, are diverted to the enrichment of those who use the counterfeit. The use of simulated trade-marks is stealing the trade of the first appropriators and owners of them and this not only in the home market, but in the markets of other States and in foreign markets.

Hence the need of protection by general laws, that shall have uniform application in all the States.

The foreign dealer wants to know that his right in respect to the device by which his goods are distinguished is secure and is protected by uniform law in all markets.

The manufacturer in Pittsburgh needs to be assured that the man who steals his reputation by falsely simulating his trade-mark, can be arrested and punished under law that is uniformly operative throughout the country, in Chicago and Saint Louis as well as in Cincinnati.

Now, it is because of the diversity of the laws and regulations upon this subject in different States and of the practice under them, and their inefficiency in affording the needed protection, that Congress has been moved to enact laws that shall have a *uniform operation* throughout the nation, and shall be adequate to the protection of the rights, in this regard, of manufacturers and men engaged in trade, whether inhabitants of this or of foreign lands. Tested by the practice of commercial states

and countries that have entered into treaties and conventions concerning it, the subject of trade-marks has certainly been considered by those states and countries as one requiring uniformity of regulation throughout the commercial world.

The conventions to which I have alluded are found in the volume of Revised Statutes relating to public treaties—that with Austria, on page 35; that with Belgium, on page 67; that with France, page 254; that with the German Empire, page 259; that with Russia, page 674. The English "merchandise marks act" of 1862, which extends protection to foreigners as well as subjects of Great Britain, is abstracted by Mr. Browne in his work on "Trade-marks," pp. 565–569.

IV. Congress has endeavored to effect uniformity of regulation in the matter of trade-marks, first, by providing for their registration, and, as remedies for the violation of the owner's rights in them, an action on the case for damages and by bill in equity to enjoin the offending party. (Secs. 4937–4941–4942, Rev. Stats., pp. 955–956.)

But these civil remedies proved insufficient and inadequate to prevent pirating upon trade-marks. They were no more efficient than—indeed, they do not materially differ from—those to be had at common law. Moreover, the public is defrauded by the use of false representations of trade-marks. At common law the public has no redress. Congress, then, to remedy the evil, and following the examples of Prussia, France, and England (Browne on Trade-marks, pp. 560–572), passed the act of August 14, 1876, which makes the counterfeiting of trade-marks, affixing colorable imitations of trade-marks to packages of goods, and the dealing

knowingly in goods having counterfeit trade-marks upon them, offenses punishable by fine or imprisonment, or both.

The constitutionality of this act in its application to the trade-marks of the *subjects of foreign countries*, is the question now before the court.

The act makes it an offense to counterfeit trade-marks or deal in false representations of trade-marks *registered pursuant to the statutes of the United States.*

It refers evidently to section 4937 R. S., and the sections following which provide for the registration of trade-marks.

The first clause of section 4937 mentions, first, persons, firms, or corporations in the United States; second, persons, firms, or corporations resident of or located in any foreign country which by treaty or convention affords similar privileges to citizens of the United States. Two distinct classes of trade-marks are provided for: first, domestic; second, foreign. A distinct set of rules pursuant to the provisions of the act might be made for each class. It is clear that the act may be divided. The parts of it are not dependent on each other.

The part referring to persons, firms, and corporations of the United States and the Territories of the United States may be stricken out, and there still remains a complete statute.

A portion of an act may be repugnant to the Constitution, and the remainder held valid. (Commonwealth *v.* Kimball, 24 Pickering, 359.)

It is said by Chief Justice Shaw on page 362:

"Supposing the law could be construed to be repugnant to the Constitution of the United States, in so far as it prohibited the sale of imported spirits by the im-

porter in the original package, *it would be void thus far and no further*, and in all other respects conforming to the acknowledged power of the State government, it would be in full force."

This rule is recognized by the Chief Justice in United States *v.* Reese, 92 U. S., 214.

On page 221 he says: "We are not able to reject a part which is unconstitutional and retain the remainder, because it is not possible to separate that which is unconstitutional, if there be any such, from that which is not. The proposed effect is not to be attained by striking out or disregarding words that are in the section, but by inserting those that are not there."

The act, then, is now to be considered specially with reference to its operation upon foreign trade-marks.

The right to sell includes the right to the use of trade-marks. Congress has power to regulate the admission and sale of foreign products. Under this power the importer is protected in his right to sell imported goods.

It has been decided by this court that the States cannot interfere with this right, restrict it, or lay any burdens upon it. (Brown *v.* Maryland, 12 Wheat., 419.)

If Congress can protect the right to sell, it can protect and regulate all the usual and appropriate means and appliances through which that right is exercised. And whatever prevents, obstructs, or interferes with the exercise of the right to sell foreign goods, Congress may prohibit, and may punish the wrongdoer.

Congress therefore has power to protect the trade-marks of foreign manufacturers, and the importers of foreign goods, by penal statutes as well as by statutes which provide only civil remedies.

Now the purpose, and the natural and reasonable effect of the acts in question, is to protect the foreign producer and the importer of foreign goods in their right to sell the products of foreign industry in the United States, and thus to carry out in good faith the conventions on this subject between the United States and the commercial nations of Europe, and make them of some practical benefit. The act is a regulation of foreign commerce.

The convention with France of the 16th of April, 1869, forbids the reproduction, in one of the two countries, of the trade-marks affixed to merchandise in the other, and gives the injured party an action for damages, just as if he were a citizen or subject of the country, where the counterfeit is proven to have been committed.

It provides in the second article that the owners of trade-marks residing in either of the two countries in order to secure their rights in the other must deposit duplicate copies of their marks in the Patent Office at Washington, and in the clerk's office of the tribunal of commerce of the Seine at Paris.

Here is a mutual covenant concerning trade-marks. Whatever protection the laws of either country give to its own citizens or subjects shall be extended to the citizens or subjects of the other. Such is the intent of the treaty.

We have said before, the civil action has been found to afford very inadequate protection against those who are disposed to steal the reputations and the business of others by imitating the chosen emblems of their trade.

Damages are very uncertain and insufficient to deter parties from commiting the offense, and when recovered, the defendants are usually irresponsible.

Now, France, by her law of June 23, 1857, has provided both civil actions and criminal proceedings prescribing severe penalties against those who counterfeit trade-marks, or in any way fraudulently deal in false representations of trade-marks. And it is provided that foreigners shall equally enjoy the benefit of the present law for the products of their establishments if, in the countries where they are situated, diplomatic conventions have established reciprocity for French marks. (See an abstract of the law in Brown on Trade-Marks, 569.)

Now, the Congress of the United States, too, in order to afford an effective remedy for the evil, and to extend the same protection to French importers that France gives to the American producer and merchant in French markets, has enacted that the forger and dealer in forged trade-marks shall answer at the bar of criminal justice in the courts of the United States.

The end, as I have shown, is lawful—within the power of Congress; the means are appropriate.

But it is said that in passing the acts of August 14, 1876, and July 8, 1870, Congress has exceeded its power, because in their application they cover cases arising wholly within the limits of a State, and make acts committed within the jurisdiction of a State—acts which are not directed against the operations of the general government—crimes against the United States; that they

not only regulate foreign and inter-State commerce, but affect the domestic concerns of the several States.

It is not admitted that the fraudulent dealing in trade-marks does not obstruct any operation of the government. It very plainly interferes with and antagonizes the power and duty of the United States to protect foreign and inter-State trade. Moreover, it is impossible to limit the effect of the wrong-doing within the confines of a State. It extends to all localities where there is a market for the goods which are simulated by the false mark.

But the answer to the objection is that the subject of these statutes is a general interest of commerce upon which Congress has power to legislate. It has been shown that the operation of trade-marks is not local, but is coextensive with trade.

Now, it is no objection to a law of Congress regulating such an interest that it touches the internal concerns of a State.

In the Wheeling Bridge Case (18 How., 421) it was observed by the court: "It will not do to say that the exercise of an admitted power of Congress, conferred by the Constitution, is to be withheld, if it appears or can be shown that the effect and operation of the law may incidentally extend beyond the limitation of the power. Upon any such interpretation, the principal object of the framers of the instrument in conferring the power would be sacrificed to the subordinate consequences resulting from its exercise."

The power of Congress to tax imports is exclusive. It is forbidden by the Constitution to the States, and yet this constitutional provision very seriously limits the power of the States over their internal affairs.

It was held in Brown *v.* The State of Maryland (12 Wheaton, 419) that the States can in no way or manner tax the sale of imported goods until they have been so acted upon that they have become incorporated and mixed up with the mass of the property of the country.

Mr. Justice Strong, delivering the opinion of the court in case of the State tax on railroad gross receipts (15 Wall., 284–295), construes the ruling of the court in Brown *v.* Maryland as applying to other persons than the importers, who sell foreign goods by unbroken bale or package. (See also Welton *v.* State of Missouri, 91 U. S., 281.)

Here it is very plain that, by this authoritative exposition of the Constitution, not only the power of a State over its internal commerce, but its right to tax property within its jurisdiction, is interfered with and limited.

So, where States, in the exercise of their power to legislate concerning the police, morals, or health of the community, have endeavored to regulate the sale of particular articles, as of spirituous liquors, their laws are invalid, so far as they affect the sale of imported goods by the importer while the goods are in the original package and not mixed up with the general mass of salable commodities. (The License Cases, 5 Howard, 504; Commonwealth *v.* Kimball, 24 Pick., 359.)

In the "License Cases" the court decided that a State might regulate the sale of liquors in the original packages *as* IMPORTED from another State, *in the absence of legislation by Congress upon the same subject*, but when Congress exercised its power to regulate inter-State commerce the laws of the States, so far as they conflict with the action of Congress, must yield. Here, too, it is plain to be seen that the power of the States over their internal concerns is materially diminished.

So also in case of the Pensacola Telegraph Company *v.* The Western Union Telegraph Company (96 U. S., 1), it was held that an act of the legislature of Florida, granting the exclusive right to establish and maintain electric telegraph lines *within certain counties of the State*, was inoperative as against a corporation of another State entitled to the privileges of an act of Congress, and the reason given is, that Congress having power over the subject of intercourse between the States had acted, and the act of the legislature, though limited to the territory of the State, was in conflict with a law of the United States.

Here a State law regulating intercourse *within the territory of the State* was held void, so far as it antagonized an act of Congress regulating inter-State intercourse.

The power of Congress to regulate the navigation of the navigable waters of the United States will not be denied. True, in several cases this court has held that State laws creating impediments to the navigation of certain small rivers and creeks, concerning the navigation of which Congress had taken no action in regulation thereof, were not in violation of the Constitution. But in all these cases the paramount power of Congress over the subject was invariably asserted. (Wilson *v.* Blackbird Creek Marsh Co., 2 Pet., 245; Gilman *v.* Philadelphia, 3 Wall., 713; Pound *v.* Turck, 95 U. S., 459.)

In this last case, Mr. Justice Miller, speaking for the court, says: "The principle established by these decisions is, that in regard to the powers conferred by the commerce clause of the Constitution there are some which, by their essential nature, are exclusive in Congress, and which the States can exercise under no circumstances; while there are others which, from their

nature, may be exercised by the States *until* Congress shall see proper to cover the same ground by such legislation as that body may deem appropriate to the subject.

The question in this case was upon the constitutionality of a law of the State of Wisconsin authorizing the construction of a dam and a boom across the Chippewa River, a small stream lying wholly within that State, but emptying its waters into the Mississippi.

The law was sustained; but the doctrine of this and of all the cases is that the power of Congress is paramount over the subject; and an act of Congress prohibiting the construction of all bridges, dams, or booms which shall obstruct or hinder the navigation of any navigable waters of the United States, even of such unimportant streams as the Blackbird Marsh Creek and the Chippewa River—streams lying wholly within States, but connected with larger highways of commerce—would be constitutional.

And yet such a law would obstruct and interfere very much with the internal trade and intercourse of the States; nay, its chief operation might be upon *infra* State traffic. It is unnecessary to cite instances. They will occur to every one.

Again, the regulation of pilotage is within the power of Congress. (Cooley *v.* Board of Wardens, 12 Howard, 209.)

A general law regulating pilotage upon all navigable waters would materially affect the internal commerce of very many States. There are navigable rivers almost numberless, whose course is wholly within States, which are navigated by steam vessels, and sailing craft plying from point to point within the States to which they re-

spectively belong, and engaged in trade entirely within those States. The Illinois and Kentucky Rivers, the Altamaha in Georgia, are instances, and the Hudson, though touching for a few miles of its course upon New Jersey, is mainly in the State of New York. A very large portion—I may say the larger portion—of its trade is between New York City and other towns and cities within the State of New York.

Now a law such as I have supposed would operate upon this exclusively State trade.

Upon almost all of these rivers there are and must be pilots, who have special knowledge of them—the impediments to their navigation, such as shoals, rocks, bars, and snags. The regulation of pilots upon these rivers would seem very properly to be a subject of State supervision.

But Congress has thought otherwise, and we are not left to suppose action upon the subject. In the steamboat act of February 28, 1871 (16 Stats., 440), collated with prior laws upon the same subject under Title LII, of the Revised Statutes, Congress has laid down rules, general and particular, by which steamboat pilots shall be governed, and regulated the whole subject of steam navigation.

These laws apply to all vessels propelled in whole or in part by steam, navigating any waters of the United States which are common highways of commerce, or open to general or competitive navigation. (Secs. 4399, 4400, Rev. Stats.)

These terms would seem to cover even inland rivers and lakes which are open to general or competitive navigation, but which have no outlet into navigable waters.

Section 5344, which is taken from the act of February

28, 1871, and that from the act of July 7, 1838 (5 Stats., 306), makes the officers, including pilots employed on steamboats, and their owners, inspectors and other public officers, liable to indictment for the crime of manslaughter in any circuit court of the United States if through their fraud, connivance, misconduct, or violation of law, the life of any person is destroyed.

Some of these laws have long been in force, certainly since the year 1838.

Their constitutionality has not, so far as I can learn, been questioned. Upon the criminal section 5344, indictments have been found and cases tried. (United States *v.* Farnham, 2 Blatch., 528; United States *v.* Warren, 4 McLean, 463; United States *v.* Taylor, 5 McLean, 242.)

In these the constitutional question does not appear to have even been raised.

Now, it is apparent that this whole body of law regulating, as it does in all respects, steam navigation upon navigable waters everywhere in the country, touches in very many points trade and intercourse which is wholly within particular States and trenches upon the admitted right of the States in the absence of legislation by Congress to pass laws upon the same subjects, *e. g.*, the subject of pilotage, which was left to be regulated by the States by the act of 7th of August, 1789. (1 Stats., 54.)

That act provides that all pilots shall be governed by the laws of the States regulating pilotage, *until legislative provision shall be made by Congress.*

Congress having made provision concerning steamboat pilots, the rules of the States respecting them are swept away.

So section 5344, R. S., trenches upon the criminal jurisdiction of the States. It makes things done, or

neglected to be done, though upon the territory, or within the jurisdiction of the States, crimes which are not crimes by the laws of the States, and gives to United States courts jurisdiction to try such offenses.

For this statute applies to officers and employés, owners and inspectors of all steamboats or vessels, upon all waters in the United States, which are open to general or competitive navigation.

"In the regulation of trade with the Indian tribes, the action of the law, especially when the Constitution was made, was chiefly within a State. The power of Congress then, whatever it may be, must be exercised within the territorial jurisdiction of the several States." (Chief Justice Marshall in Gibbons *vs.* Ogden, 9 Wheat., 196.)

Further on, page 197, he says: "The power of Congress comprehends navigation *within the limits* of every State in the Union, so far as that navigation may be in any manner connected with commerce with foreign nations, or among the several States or with the Indian tribes."

In the case of the United States *v.* Halliday (3 Wall., 407), which was an indictment upon the act of February 12, 1862 (12 Stats., 339), which forbade under a heavy penalty the selling of ardent spirits to Indians under the charge of any Indian superintendent, it appeared that the defendant sold the liquor to an Indian in Gratiot County, Michigan, and it was objected as in the case now before the court, that the United States court had no jurisdiction of the offence. Answering this objection, Mr. Justice Miller, speaking for the court, says (p. 417): "Is there anything in the fact that this power is to be exercised within the limits of a State which renders the act regulating it unconstitutional?"

In the same opinion to which we have just before referred (Gibbons *v.* Ogden), Judge Marshall, in speaking of the power to regulate commerce with foreign States, says: "The power does not stop at the jurisdictional limits of the several States. It would be a very useless power if it could not pass those lines. If Congress has power to regulate it, that power must be exercised wherever the subject exists. It follows from these propositions, which seem to be incontrovertible, that if commerce or traffic or intercourse is carried on with an Indian tribe, or a member of such tribe, it is subject to be regulated by Congress, although within the limits of a State. *The locality of the traffic can have nothing to do with the power.*"

So here, Congress having power to regulate the matter of trade-marks, as an adjunct of foreign and inter-State commerce, it must be exercised wherever the subject exists. It does not stop at the boundary lines of a State.

Doubtless the forger and dealer in counterfeit trade-marks in almost all cases does the criminal act within the jurisdictional limits of a State: So it is in case of the violation of most if not all of the United States crimes' acts. But the injury that is done by false trade-marks is not confined to the limits of any State. The foreign merchant, or the importer whose right to sell, the United States is bound to protect, is injured in his reputation and in the profits of his business. The imitator of his mark filches from him his trade. The public also suffers.

The argument and the cases cited establish this proposition. The legislation of Congress upon any subject over which it has power to legislate, is constitutional,

though such legislation may in its operation affect the internal concerns of the States, and even conflict with State laws.

It has been shown above that Congress has power to legislate upon the subject of trade-marks as a general interest of commerce, and now it is submitted that these acts of Congress, the purpose of which is to give uniform protection throughout the country to these instruments of trade, are constitutional, however they may affect the internal affairs of the States.

It should be added that these statutes can hardly be said in any case to operate exclusively upon infra-State commerce.

The right to the marks is commensurate with the right to sell. It extends to all the markets in the country where champagne is bought and sold. The article bearing the false stamp is not offered in the New York markets only. If that were so there would be less temptation to imitate the marks. The spurious article appears with the genuine in all markets—follows it to other States and countries. Thus the profit and advantage to which the first appropriator is justly entitled are intercepted and diverted, and made to enrich the fraudulent dealer.

It is impossible to confine the act of the counterfeiter and false dealer in trade-marks to any locality or State. The rightful owner is injured by it in his business in Saint Louis, Cincinnati, and Chicago, as well as in New York.

Now the effect of these acts of Congress is to put a stop to this fraudulent dealing in trade-marks within a State which interferes with their legitimate use in trade

between the States, and in foreign trade, and with the duty of Congress to protect foreign and inter-State trade. They forbid transactions within a State involving the use of false trade-marks, whereby the right of the owners of the genuine to sell in all markets is obstructed and its value diminished.

The operation of these acts is, therefore, to regulate inter-State and foreign commerce. If they touch the purely internal affairs of the States, it is only incidentally, and to an inappreciable extent.

C. DEVENS, *Attorney-General.*
A. R. DUTTON.

APPENDIX.

United States circuit court, S. D. O., April term, 1878.

CHARLES DUWEL
vs.
H. BOHMER.

The circuit court of the United States has jurisdiction of a suit in equity instituted in said court to restrain the infringement of a trade-mark registered in accordance with the provisions of act of Congress of July 8, 1870 (16 Stat. at Large, chap. 230), irrespective of the residence of the parties to the suit.

The fact that both complainant and respondent are citizens of the same State does not deprive this court of jurisdiction.

The act of July 8, 1870 (16 U. S. Stat. at Large, chap. 230), and of March 3, 1875 (18 Stat. at Large, part 3, chap. 137, sec. 1), construed with reference to said jurisdiction.

Before SWING, *J.*, April term, 1878:

This was a bill in equity filed to restrain the defendant from the alleged infringement of a trade-mark, which the complainant claimed to have registered in accordance with the provisions of the act of Congress of July 8, 1870.

The respondent demurred to the bill of complaint for the reason that the court had no jurisdiction of the case.

The case was submitted upon briefs.

The grounds taken by respondent in support of the demurrer were as follows:

The bill shows that both parties are citizens of the city of Cincinnati, State of Ohio.

The question is whether the trade-mark statute (title 60, Rev. Stat., chap. 2, p. 963) gives jurisdiction.

The only clause in the statute which it is claimed gives jurisdiction is section 4942, R. S., which provides that the party aggrieved shall have his remedy in "any court having jurisdiction over the person" guilty of the wrong-

ful use. It is submitted that the words "jurisdiction over the person" do *not* confer jurisdiction on the circuit court.

The circuit courts have jurisdiction only where it is expressly given by act of Congress. In cases of doubt, the presumption is against their jurisdiction.

From this it appears that the Federal courts have jurisdiction of the person of a defendant only in certain cases specifically set forth in the statute. The case at bar is not one of these. Nor is there an act giving the Federal courts jurisdiction over the subject-matter of trade-marks.

What, then, is the object of the section in question?—sec. 5942, R. S.

By the common law the right of property in the use of a trade-mark accrued only after long use. (McAndrew *v.* Bassett, 10 Jur., U. S., 550.)

"By the common law the owner of a trade-mark had his remedy, &c., in any court having jurisdiction over the person guilty of the wrongful use" (Derringer *v.* Plate (1865), 29 Cal., 292); *i. e.*, he might sue an infringer in the courts of the State of which the infringer was a citizen. He might sue in the United States circuit court if he were a citizen of one State and the infringer of another, because in that case the circuit court would have jurisdiction over the person.

By section 4942, R. S., the owner of any recorded trade-mark has his remedy, &c., in any court having jurisdiction over the person, &c.

The common law gives a remedy for a mark established by use. The statute provides the same remedy for a mark established by registration.

The statute is designed to encourage trade and commerce by facilitating the adoption of trade-marks.

This is the view adopted by the Commissioner of Patents. (See case of Dutcher Temple Co., Com'r., Dec., 1871, p. 248–249.)

The case should therefore be dismissed for want of jurisdiction.

The reasons urged by the complainant in support of the motion to overrule the demurrer were as follows:

Under the organic act of September 24, 1879, sec. 11, patentees and authors had the same footing in the circuit courts as other suitors. The limitation as to amount and citizenship was removed from them by the act of February 15, 1819.

The Patent act of July 4, 1836, ch. 357 (5 Stat. at Large, 117), and the copyright act of February 3, 1831, chap. 16 (4 Stat. at Large, 436), each respectively repeal all of said act of 1819 that relates to their respective subjects, and both re-enact the aforesaid provisions of the act of 1819.

The act of July 8, 1870, chap. 230, ss. 55, 106, Rev. Stat., section 629, page 111, provides that the circuit courts shall have jurisdiction as follows: "Ninth. Of all suits at law or in equity arising under the patent or copyright laws of the United States."

In the act of July 8, 1870 (U. S. Stat. at Large, vol. 16, ch. 230, sec. 21 et seq.), "to revise, consolidate, and amend the statutes relating to patents and copyrights," we find the first mention of trade-marks, the place, and the mode of registry, the nature of the protection granted them when registered, and the remedies for securing such protection.

The sections relating to trade-marks lie between those pertaining to patents and those relating to copyrights, and the sections of the act are numbered consecutively.

The heading and interior construction of this act indicate it to be one act. This act interpreted in connection with the said 9th section of the act, Rev. Stat., section 629, p. 111, same year, gives the United States circuit court jurisdiction of the present case.

The right of Congress to legislate concerning trade-marks is based upon section 8 of article 1 of the Constitution of the United States.

The law of trade-marks being a part of the copyright laws, the circuit court has jurisdiction. The first section of the act of March 3, 1875, does not repeal the act of 1870, R. S., section 629, page 111, pertaining to the cir-

cuit courts, as no reference is made in the act of '75 to that of '70, and only such acts or parts of acts are repealed as are in conflict with that of '75.

The jurisdiction given by the circuit courts by the act of '70 as to cases arising under the patent and copyright laws, is not in conflict with the act of '75.

In the act of '70 there are several sections that relate to cases arising under the laws of the United States, and it may be urged that the words "arising under the laws of the United States" in the act of '75 are intended to take the place of such several sections of the act of '70, the clause referred not appearing in the earlier judiciary act.

If this act be admitted it is evident that the act of '75 gives jurisdiction in patent and copyright cases (which is one class of cases arising under United States laws) only where the amount exceeds, exclusive of costs, $500. Such could not be the intent of this act, as the intendment of legislation has always been to give the circuit courts jurisdiction in patent and copyright cases without regard to the amount in controversy.

If this act of '75 is construed in connection with section 4942 of the patent and copyright law of 70 (vol. 16, U. S. Stat. at Large, p. 200, s. 21, c. 230), it will be apparent that said section 4942 does not take away the jurisdiction of the circuit courts in patent, trade-mark, and copyright cases conferred by the act of '75, but does allow the circuit court jurisdiction in an equity suit for injunction, &c., to prevent an infringement of a registered trade-mark, without regard to the citizenship of the parties or the amount in controversy, the only limitation being that the infringer shall be sued where he can be legally served.

The United States Circuit and Supreme Courts have assumed jurisdiction and rendered decisions in a number of suits brought for infringement for trade-marks registered under the said act of July 8, 1870.

The cases of Smith *v.* Reynolds (U. S. C. C., S. D. N. Y.) are exactly in point in the present motion, as both complainants and respondents thereof were citizens of the same State.

Judge Blatchford assumed jurisdiction and delivered an opinion on the question of infringement (O. Gaz. U. S. Pat. Of., vol. 3, p. 213, *et seq.*). The question of jurisdiction was not raised by counsel.

If the United States courts have no jurisdiction, cases brought for infringement of trade-marks, registered under the act of '70, parties being residents of same State, and amount in controversy not being over $500, a class of cases exists where no remedy has been provided.

Because it is not clear that the said act confers upon the State courts jurisdiction of such suits. Hence the registry of his trade-mark as provided by said act would afford the complainant no protection.

If the complainant discard the fact of registry, bring his suit in the State courts, unless he had acquired a property in the mark by use, he could obtain no footing there.

By the act of '70, one who invents or appropriates a new trade-mark and registers the same is promised protection, irrespective of the question of use of the mark. If he cannot have protection in the United States courts, he cannot have it anywhere, and the act of 1870 becomes a dead letter.

He has paid the government a fee of $25 for registry of his trade-mark in consideration of protection.

The government has received his money and withholds the consideration.

It is respectfully submitted that the demurrer should be overruled.

Wm. Hubbell Fisher for complainant.

Wm. S. Bates for respondent.

SWING, J.:

The demurrer is that this court has no jurisdiction of the case.

The ground of the demurrer is that the parties are both residents of the State of Ohio, and that there is no act which confers upon the United States courts jurisdiction of the subject-matter in such a case.

The act of 1870 (Rev. Stat., s. 629, p. 111) gives the circuit court jurisdiction of all suits under the copyright and patent laws.

If the trade-mark law is in any fair sense a copyright law the act gives jurisdiction.

The only provision of the Constitution which in any wise bears on the power of Congress to pass laws respecting trade-marks or to protect them is the following, viz, section 8 of article 1 of the Constitution of the United States: "The Congress shall have power to promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.

"Also to make all laws which shall be necessary and proper for carrying into execution the foregoing powers."

There is no other clause of the Constitution which vests in Congress the power to grant to authors an exclusive right to their writings, and Congress in legislating on this question undoubtedly drew their power from this section.

The copyright and trade-mark laws all come from the same source. So if the trade-mark act of 1870 be a copyright law, then the court has jurisdiction without reference to residence or the amount in controversy.

The clause or words in section 4942 of the copyright and trade-mark law, viz, "shall be liable to an action on the case for damages for such wrongful use of such trade-mark at the suit of the owner thereof; and the party aggrieved shall also have his remedy according to the course of equity to enjoin the wrongful use of his trade-mark and to recover compensation therefor in any court having jurisdiction over the person guilty of such wrongful use," does not limit this jurisdiction.

But there may be a general extending of the right to sue, that is, where there is a general jurisdiction in the courts of the United States you may go into any State court. This section 4942 may be an enlargement, but is not a limitation of the jurisdiction.

But aside from this act, section 1, chapter 137 of the act of March 3, 1875, provides: "That the circuit courts

of the United States shall have original cognizance, concurrent with the courts of the several States, of all suits of a civil nature, at common law or in equity, where the matter in dispute exceeds, exclusive of costs, the sum or value of five hundred dollars, and arising under the Constitution or laws of the United States," &c. The clause granting jurisdiction is without limitation as to residence. It only limits the amount in controversy. The remaining clauses are wholly disjunctive.

The first three clauses are without qualification as to citizenship. Then follows the clause when there shall be controversies of citizens of different States.

In the present case the right is derived exclusively from a law of the United States. In this statute no citizenship was requisite, and if, in this case, it was a suit of a civil nature at common law or in equity, the jurisdiction vests in the circuit court, whenever the amount in controversy was over $500. If the suit arises under the Constitution or a law of the United States, the jurisdiction is then vested without respect to the amount.

The authorities upon the question at issue are very limited, and not a single case, in which the question has been raised, has been cited by counsel.

The point at issue is argued for the first time *de novo*. It has been ably argued.

I have looked into every book and in all reported decisions, and have been unable to find anything in which the question has been determined.

In Bump's Treatise, Law of Patents, Trade-marks, and Copyrights, it seems to be taken for granted that the circuit court has jurisdiction.

I find that in the index, under the head of circuit courts is "Original jurisdiction in patent cases, page 13," "in copyright cases, 13," "in trade-mark cases, 13," "without regard to citizenship, page 13." And he has classed it there without regard to citizenship. Turn to the pages referred to in the index, and we find a copy of the trade-mark act. Turn to page 349—where he

speaks of the jurisdiction he simply copies section 4942 of the act.

When we go back to his index and look under the head of "Trade-marks" we find "Remedy in State courts preserved," see page 250, on which page he quotes section 4945 of the statute of 1870, R. S., chap. 2. Now, if we examine that section, we find that it provides again, "Nothing in this chapter shall prevent, lessen, impeach, or avoid any remedy at law or in equity, which any party aggrieved by any wrongful use of any trade-mark might have had if the provisions of this chapter had not been enacted." So it is clear that he regards the jurisdiction which the circuit court has additional to that possessed by the State courts, that the circuit court has jurisdiction without reference to the residence of the parties or the amount in controversy.

When we come to look at the trade-mark law (Revised Statutes, title 60, page 953) we find that the title thereof is "Patents, Trade-marks, and Copyrights." And then follows, "Chapter One, Patents"; "Chapter Two, Trade-Marks"; "Chapter Three, Copyrights"; and the sections are numbered continuously from the beginning of chapter one, through chapters two and three.

The demurrer is overruled.

SUPREME COURT OF THE UNITED STATES.

THE UNITED STATES

v.

EMIL STEFFENS.

CONSTITUTIONALITY OF THE ACTS OF CONGRESS CONCERNING THE PROTECTION OF TRADE-MARKS.

ARGUMENT ON BEHALF OF THE UNITED STATES.

NEW YORK :
EVENING POST STEAM PRESSES, 208 BROADWAY, CORNER FULTON STREET.

1879.

Supreme Court of the United States.

THE UNITED STATES

vs.

EMIL STEFFENS.

The accused was indicted under the fourth and fifth sections of an act entitled "An Act to punish the counterfeiting of trade-mark goods, and the sale or dealing in of counterfeit trade-mark goods," approved August 14, 1876. These sections are as follows :

SEC. 4. That any person or persons who shall, with intent to defraud any person or persons, knowingly and willfully cast, engrave, or manufacture, or have in his, her, or their possession, or buy, sell, offer for sale, or deal in, any die or dies, plate or plates, brand or brands, engraving or engravings, on wood, stone, metal, or other substance, moulds, or any false representation, likeness, copy, or colorable imitation of any die, plate, brand, engraving, or mould of any private label, brand, stamp, wrapper, engraving on paper or other substance, or trade-mark, registered pursuant to the statutes of the United States, shall, upon conviction thereof, be punished as prescribed in the first section of this act.

SEC. 5. That any person or persons who shall, with intent to defraud any person or persons, knowingly and willfully make, forge, or countrefeit, or have in his, her, or their possession, or buy, sell, offer for sale, or deal in, any representation, likeness, similitude, copy, or colorable imitation of any private label, brand, stamp, wrapper, engraving, mould, or trade-mark, registered pursuant to the statutes of the United States, shall, upon conviction thereof, be punished as prescribed in the first section of this act.

The provisions concerning registration are embraced in section 4,937, *et seq.*, title LX., chap. 2, of the Revised Statutes. Section 4937 is as follows :

SEC. 4,937. Any person or firm domiciled in the United States, and any corporation created by the authority of the United States, or of any State or Territor

thereof, and any person, firm, or corporation resident of or located in any foreign country which by treaty or convention affords similar privileges to citizens of the United States, and who are entitled to the exclusive use of any lawful trade-mark, or who intend to adopt, and use any trade-mark for exclusive use within the United States, may obtain protection for such lawful trade-mark by complying with the following requirements;

First.—By causing to be recorded in the Patent Office a statement specifying the names of the parties, and their residences and place of business, who desire the protection of the trade-mark; the class of merchandise, and the particular description of goods comprised in such class, by which the trade-mark has been or is intended to be appropriated; a description of the trade-mark itself, with facsimiles thereof, showing the mode in which it has been or is intended to be applied and used; and the length of time, if any, during which the trade-mark has been in use.

Second.—By making payment of a fee of twenty-five dollars in the same manner and for the same purpose as the fee required for patents.

Third.—By complying with such regulations as may be prescribed by the Commissioner of Patents.

The trade-marks involved are owned by the firm of G. H. Mumm & Co. of Reims, France, manufacturers of champagne wines.

The genuine and spurious labels are shown in the accompanying photo-lithograph.

The accused was a label-maker, and had sold thousands of copies of the spurious label to bottlers of American champagnes.

A demurrer was interposed, raising the question of the constitutionality of the act under which the indictment was found.

The enactments above mentioned are the only Federal laws of a general character. The Registration Act was originally passed July 8, 1870, since which date it has remained unchallenged until within a few months.

The criminal act is manifestly within the power of Congress, if the provisions concerning registration are constitutional; it is simply a means of giving effect to the registration.

Genuine.

Spurious.

So ripe is the learning of this exalted tribunal in respect of the sources of power about to be discussed, that I shall not attempt to do more than show that the power to pass the acts in question is in Congress, and has been constitutionally exercised.

It is conceded that the power to legislate upon the subject of trade-marks is not deducible from that clause of the Constitution, which provides for the granting of patents and copyrights. It must be sustained, if at all, under the commercial clause and those of a cognate nature.

For convenience and the sake of the argument, I assume that the acts apply only to the marks of the citizens and subjects of foreign nations. By restricting the inquiry in this way a conclusion is more readily arrived at.

The right to a trade-mark is an incident of the right to sell.

The power to confer a right imports the power to protect the right.

Congress, having indisputable power, has granted to the foreign producer the right to sell.

It may protect his trade-mark.

The acts are in aid of treaties of the United States, providing for the registration of foreign marks, and the treaties and statutes will be construed as a single enactment to effectuate their common object.

The statutes in question may be divided so as to limit their operation to foreign marks, even if they are not constitutional in their application to the marks of citizens of the United States.

The statutes are constitutional in all their parts. They regulate only foreign and inter-State commerce.

In *Henderson* v. *The Mayor*,* it was said, "in whatever language a statute may be framed, its purpose must be determined *by its natural and reasonable effect*."

The natural and reasonable effect of the acts in question is to protect the right of the foreign producer to sell within the jurisdiction of the United States.

That Congress has extended, in the most solemn, formal and binding manner, to the foreign producer the right to sell, is not open to dispute. That it has power to protect this right is equally certain.

Whatever controls or prevents the sales of an article of foreign production is a regulation of foreign commerce.

The Indian cases† decide that it is competent for Congress to forbid sales to the Indian tribes and to foreign nations—that to inhibit such sales is to regulate commerce.

It was said by Chief Justice Taney,‡ "Congress, under its general power to regulate commerce with foreign nations, may prescribe what articles of merchandise shall be admitted and what excluded, and may therefore admit or not as it shall deem best."

The power, therefore, over the right to sell foreign products in the United States is absolutely sovereign—"broad and free from restrictions;"§ "exhaustive, leaving no residuum."‖

If there is power to grant the right to sell there is power to protect the right by every appropriate means.

The acts in question are simply appropriate means employed to effectuate the right of the foreign producer to sell.

The possible contention that registration is not regulation is without force. Registration here, like the registration or enrollment of vessels, is merely an incident.¶ It bears much the same relation to the object of the acts that the removal of obstructions from navigable rivers bears to navigation.**

The right to sell is not merely the right to deliver in exchange. It is the right to exchange through third parties and

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* 2 Otto, 259. †*U. S.* v. *Holliday*, and *U. S.* v. *Forty-three gallons of whiskey.*

‡ *License Cases*, 5 How., 577. §*U. S.* v. 43 *Gallons of Whiskey.*

‖ *Gibbons* v. *Ogden*, 9 Wheaton, 1.

¶ *Pennsylvania* v. *Wheeling Bridge Co.*,18 How., 421.

** *Gilman* v. *Phila.*, 3 Wall., 713.

the agents of third parties. It includes the right to enjoy every lawful means, instrumentality, appliance, expedient which pertains to "buying, selling and exchanging," or which assists in the effectuation of the objects of exchange.

A trade-mark is a means of distinguishing merchandise. It is a sign that serves to denote the origin or ownership of an article of commerce.

The term includes whatever mark distinguishes the goods of one producer from those of another. It is the individualization of the subjects of exchange—it is to the manufacturer or merchant what a flag is to a nation.

It may consist of the name of the manufacturer* or of a word, symbol or device—a mark of any nature which serves, *de facto* and *de jure*, to distinguish and identify the article in connection with which it is used. †

Abolish trade-marks, and to the consumer the individuality of the producer is lost.

The object in using a trade-mark is to distinguish the goods to which it is applied from those manufactured or sold by another; it is applied to the end that the goods may be known in the market as the goods of the person using the mark, and to enable him *to secure such profits as result from his reputation for skill, industry and fidelity.* ‡

The natural and reasonable effect of reputation is an increase of sales. Will it be said that the right to sell is complete—a right in the broad and genuine sense of the word—if the seller is precluded from the enjoyment of the results of reputation established by skill, industry and fidelity?

If it were open to the American manufacturer (which was contended before judges of this court a quarter of a century ago §) to reproduce exact fac-similes of imported packages bearing counterfeit marks undistinguishable from the genuine, it would not be practicable for the foreign producer to sell in the American market.

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* *McLean* v *Fleming*, 6 Otto, 248. † *Ibid.*

‡ *McLean* v. *Fleming*, *supra*; Upton on Trade-marks, 9.

§ *Taylor* v. *Carpenter*, 3 Story, 458.

The imitation of a trade-mark has the effect "*to intercept and divert the profits*" of the owner of the mark.*

This is the seminal principle of all the cases. It is thus authoritatively stated by Mr. Justice Strong:

"The first appropriator of a name or device pointing to his ownership, or which, by being associated with articles of trade, has acquired an understood reference to the originator or manufacturer of the articles, is injured whenever another adopts the same name or device for similar articles, because such adoption is in effect representing falsely that the productions of the latter are those of the former. Thus, the custom and advantages to which the enterprise and skill of the first appropriator had given him a just right are abstracted for another's use, and this is done by deceiving the public, by inducing the public to purchase the goods and manufactures of one person, supposing them to be those of another."†

Profit is the object of sale. It is axiomatically plain that the employment of a trade-mark enables the person employing it to enhance the reputation of his goods and thus increase his sales.

If the effect of infringement is to divert the profits of the person using the mark, the right to use the mark is an incident of the right to obtain the profits, an incident of the right to sell.

The plain conclusion is that the right to the use of a trade-mark is an incident of the right to sell.

The power of Congress to legislate in the premises is happily illustrated in existing enactments touching the importation of watches. The growth of watchmaking in the United States, which has been very remarkable, the American watch being now probably second to that produced by no other nation, induced European manufacturers to imitate the marks of the American, copying, at the same time, every detail of a mechanical nature. The consequence was that the industry in America was very prejudicially affected. To cure the growing evil Congress passed an act, the substance of which is em-

Amoskeag Co. v. Spear, 2 Sand. S. C., 599.

† *Canal Co. v. Clark*, 13 Wall., 311.

bodied in sec. 2496, Title XXXIII, of the Revised Statutes, which is as follows:

"No watches, watch cases, watch movements, or parts of watch movements, of foreign manufacture, which shall copy or simulate the name or trade-mark of any domestic manufacturer, shall be admitted to entry at the Custom Houses of the United States, unless such domestic manufacturer is the importer of the same. And in order to aid the officers of the customs in enforcing this prohibition, any domestic manufacturer of watches who has adopted trade-marks may require his name and residence and a description of his marks to be recorded in books which shall be kept for that purpose in the Department of the Treasury, under such regulations as the Secretary of the Treasury shall prescribe, and may furnish to the Department fac-similes of such trade-marks; and thereupon the Secretary of the Treasury shall cause one or more copies of the same to be transmitted to each Collector or other proper officer of the customs."

This enactment forcibly illustrates the contention that the protection of trade-marks is a regulation of commerce and that registration is essential to convenient protection.

It is an obvious regulation of foreign commerce. It governs and controls the sale of foreign watches in the United States by limiting those sales so as to preclude unlawful competition. It does not "merely affect or influence," but plainly "furnishes a rule for conduct."

The necessity for similar enactments in respect of American canned goods, in respect of American flour, in respect of American proprietary medicines, in respect of American shears, and other articles, is in the near future, if it has not already become apparent.

A century hence, if we may judge the future by the past, there will be a pressing demand for a general law of a like nature, covering every class of merchandise. This has already been demonstrated to the most conservative observer.

It is plain that the act concerning the importation of watches is constitutional, and that the registration of the marks is an appropriate, if not a necessary, means of effecting the objects of the law.

The laws here involved are the same as that concerning the importation of watches, except that they govern the people at large instead of a limited number of officials, and, indirectly, foreign producers. The objects—*the prevention of the piracy of commercial marks*—and the means—*registration of the marks and protection of the registration*—are essentially the same.

If a statute were passed by the State of New York providing in substance that no foreign goods in original packages should be sold within the limits of the State unless the marks used by the owners of the goods were registered at the State capital, it would be an attempt to regulate foreign commerce.

If it should come about that the products of the Cherokee or Choctaw Nations acquired celebrity in the markets of the United States, can there be any doubt but that Congress would have power to protect the marks used by the Indians against infringements by citizens of the United States? Would not such an act be plainly in accord, if not distinctly covered, by the cases of the *United States* v. *Holliday*, and *United States* v. 43 *gallons of whiskey*?

Under the power to grant patents and copyrights, Congress has imposed heavy penalties to prevent the application of marks denoting that unpatented articles and those not copyrighted are protected. The constitutionality of these provisions has never been doubted. It is plain that they are sound.

The power to enact them is an incident of the power to grant the monopolies to which they relate. They are no more and no less than safeguards to insure the full enjoyment of the rights conferred by the organic law and the statutes made in pursuance thereof.

The acts under consideration are in like manner safeguards to insure the full enjoyment of a right confirmed by Congressional action in pursuance of the organic law.

The effect of the false marking is the same in both instances; it lessens the sales of the proprietor of a monopoly. In the case of the patentee, the right comes of a statute; in the case of the owner of a trade-mark, the right comes of the common law and the right to sell.

If Congress has power to prevent false marking in protection of one right, it has a like power in respect of the other.

Under the power to "establish post offices and post roads," it has been enacted that it shall be a crime to make or use "any paper bearing the water marks" of the Government.*

It is, under the same power, made a crime to "utter or use any forged or counterfeited postage stamp of any foreign government."†

To protect the internal revenue it has been provided that it shall be unlawful to affix a stamp "in the similitude or likeness of any stamp required to be used by the laws of the United States."‡

In section 3,403, it is provided that every person who sells or offers for sale any imported segars or *segars purporting or claimed to have been imported*, not put up in packages and stamped as provided by this chapter, shall be fined and imprisoned.

Under undisputed powers to establish a system of national banks, Congress has made it a crime to make "any note in imitation of or purporting to be an imitation of the circulating notes" of any national bank.§

These necessary and reasonable enactments pointedly illustrate the maxim, that where a power exists it may be exercised in respect of all the incidents of the subject to which it relates.

They show, too, that if Congress has power to legislate concerning an original, it is necessarily invested with power to protect the original by preventing the use of imitations or counterfeits. The power to make the rule includes the power to make the corollary. The power to create includes the power to protect.

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* Rev. Stat., sec. 5,464, Title LX., Chap. 5.

† Ib., Sec. 5,465.

‡ Rev. Stat., sec. 3,397, title XXXV., chap. 7.

§ Rev. Stat., sec. 5,415, title LX., chap. 5.

The law looks to the effectuation of real, not fictitious results. The existence of a power imports the capacity to make the power broadly and positively effectual in the correction of whatever is subversive of the objects for which the power was conferred.

If the acts in question are an invasion of the powers reserved by the States, the States may confirm to their citizens, by affirmative legislation, the rights that are curtailed. If it is an invasion of a right of the citizen of New York to forbid him to counterfeit foreign marks, the State of New York may protect him in the right by affirmative legislation. The State may declare in substance :

"It shall be lawful within the State of New York to use the marks of foreign producers on all articles made and sold within the State."

The natural and reasonable effect of such an act would be to regulate foreign commerce by diverting it from the State of New York, and in other ways that are obvious. Such a law, passed by all the States, would practically destroy commerce with foreign nations. The acts would be as grossly barbarous as unconstitutional.

The power, therefore, to permit the illicit trade is not in the States, but in Congress. The power to permit includes the power to forbid. The power to forbid has been exercised in the acts in question.

The trade-mark involved is owned by citizens of France.

On the 16th of April, 1869, a treaty was ratified between the United States and France, the second article of which is as follows: "If the owners of trade marks residing in either of the two countries wish to secure their rights in the other country, they *must deposit duplicate copies of those marks in the Patent Office at Washington and in the Clerk's office of the Tribunal of Commerce of the Seine, at Paris.*"*

This article contains a provision that the citizens of the United States, if they desire protection in France, must comply with the laws of France, which require a deposit of foreign marks to be made in duplicate in the Tribunal of Commerce of the Seine, at Paris. A failure to deposit the American mark works a forfeiture of the right to the exclusive use of the mark within the jurisdiction of France.

The article, too, provides specifically that the citizen of France must deposit duplicate copies of his marks in the Patent Office, at Washington. There is a mutual covenant respecting what is tantamount to the registration of the mark.

It is submitted that the statutory provisions concerning registration are to be regarded as *means whereby the covenants of the United States touching the deposit of foreign marks* are effectuated.

The treaty is a positive fact of the most solemn and formal character; and the statute purely an enactment in aid of that treaty, to enable the Government of the United States to carry its covenants into execution.

The provision that the citizen of France shall have the right to register his trade-mark at Washington is a recognition of the right which has been reciprocally extended by the Government of France to enable the citizen of the United States to carry on *an exchange of his commodities in France.*

It cannot be reasoned that the Congress of the United States is without power to promote and protect in every way the interests of its citizens abroad.

In so far as the act in question is an act in aid of the treaty, and *indirectly operates beyond the jurisdiction of the United States for a commercial purpose*, it is a regulation of foreign commerce.

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* U. S Stat. at Large, 1869-71, 772.

It cannot be supposed for a moment that the framers of our Constitution were so blind to the growth and development of the Empire that instrument was framed to govern, as to have shut their eyes to the now conspicuous fact that, in respect of many articles, the foreign markets are scarcely less important to the American producer than the markets at his own doors.

In England, the common law right to a trade-mark has practically been abolished. The same is substantially true of France, Germany and other European nations.

Adapting themselves to this condition of affairs throughout the civilized world,* the United States have entered into treaties with Great Britain, France, the German Empire, Belgium, Austria, Russia and other nations.

Is it possible to believe that the Government of the United States is without power to enter into treaties with these nations whereby the commerce of the citizen of the United States may be protected *within their different jurisdictions?*

Is it possible to reason that the Government of the United States is without power to make a treaty with Great Britain whereby it may protect the trade-marks of its people within British jurisdiction?

If the Government of the United States has that power, it has the power *to afford reciprocal protection by legislation.* It has the power to provide for the registration of foreign trade-marks.

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* The use of trade-marks has kept pace with the progress of modern civilization. The development of the subject has been almost phenomenal.

The first case, mentioned in the books, was determined in 1590, the second in 1742, and prior to 1805 only six cases are reported. After 1805 the number of decisions reported during each decade is as follows:

1805 to 1815, inclusive, 3; 1815 to 1825, inclusive, 5; 1825 to 1835, inclusive, 6; 1835 to 1845, inclusive, 13; 1845 to 1855, inclusive, 46; 1855 to 1865, inclusive, 104; 1865 to 1875, inclusive, 168.

Since 1875 the increase has been, proportionately, much greater. Coddington's Digest, preface.

There have been registered in Great Britain nearly fifteen thousand and in the United States about nine thousand marks and labels, while in France, Germany, Austria, Italy and other European nations the Governmental records present scarcely less significant statistics.

I do not attempt to locate the power. *If the United States are a nation, it exists.*

These treaties are the supreme law of the land, and have, in so far as they are operative, the same force and effect as statutes. It is obvious, therefore, that any legislative enactment passed in aid of them must be constitutional.

It may be urged that a treaty cannot stand if it has the effect of overriding the provisions of the organic law.

It is sufficient, in the present instance, that the treaties in question do not invade any of the clearly defined rights of the States. They have relation exclusively to commerce with foreign nations.

Will it be said that the Government of the United States blundered when it made these treaties; that Congress blundered when it gave them certainty by legislation, and that it has fallen to the lot of this court to announce to the civilized world that the blunders cannot be cured?

The statutes in question may be divided so as to be operative in respect of foreign marks, even though they appear to be unconstitutional in respect of the marks of the citizens of the United States.

As has been remarked, the controversy turns upon the right of Congress to provide for registration, the criminal act being merely a means of protecting the registration.

The question of the division of the statute, therefore, has relation to the provisions of the Revised Statutes contained in chapter 2, title LX.

The issue here is substantially the same as if the legality of the registration of a foreign mark had been attacked in a civil proceeding under the Act of 1870. The capital consideration is: Has their been a registration pursuant to a valid statute of the United States?

Section 4,937 describes certain classes of persons who are entitled to make registration. These classes are distinctly defined. They are (1) persons, firms and corporations domiciled in the United States, and (2) "persons, firms or corporations residents of or located in any foreign country which, *by treaty or convention affords similar privileges to the citizens of the United States.*"

It may be conceded that all registrations made by the first class are unlawful and void, without affecting those made by the second class. It may be admitted that in respect of the first class the section is a nullity, and still be true that in respect of the second class it is perfectly operative.

It is plain that it would be practicable for the Commissioner of Patents to prescribe rules in pursuance of the section which would recognize the distinction between the two classes. If the first twenty-eight words of the statute be eliminated, the effect is to confine its operation exclusively to foreign nations. The words proposed to be eliminated are strictly descriptive in their character, serving only to define one of the classes of persons intended to be benefited.

The consequence is that only the marks of the citizens or the subjects of foreign nations have been registered. The other registrations are nullities. They have been made under statutory provisions having no legal effect, which were void *ab initio*. The criminal remedy, therefore, applies only in aid of foreign marks and is, consequently, free from objection.

It is plain that Congress contemplated in the passage of the Act of July 8, 1870,* the specific protection of such marks as had been made the subjects of treaties. The object was to protect both classes, irrespective of each other. The enactment is not as if it read "any trade-mark may be registered;" it is as if it read "two classes of trade-marks may be registered, (1) those of citizens of the United States, and (2) those of foreigners protected by treaties. There is a distinct expression of the legislative will concerning the two classes as independent subjects of legislation.

The rule in respect of the division of statutes is that they may be broken apart in all cases where the parts are not actually or constructively dependent upon each other.

If there are what may be regarded as independent provisions, the courts, from their earnest desire to save all of the law that can be saved, will discard the unsound provisions and execute those that are good.

In the present instance, striking out the objectionable words, a complete operative constitutional enactment remains.

The case of the *State* v. *Amory*, decided by the Supreme Court of Rhode Island, during the present year,† directly sustains the contention of the Government here.

Chief Justice Durfee, states the rule as follows:

"The doctrine of the cases is that if a law which is constitutional under certain limitations exceeds those limitations, it may still be *operative within its legitimate sphere*, and *void only for the excess*."

Chief Justice Shaw, in *Commonwealth* v. *Kimball*,‡ (cited in the opinion just referred to) said:

"Suppose the law could be construed to be repugnant to the Constitution of the United States in so far as it prohibited the sale of imported spirits by the importer in the original packages, it would be *void thus far and no further*; and in all other respects, conforming to the acknowledged power of the State government, it would be in full force."

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* Rev. Stat., 4,937, *et seq.*

† *The Reporter*, Vol. 2, p. 89.

‡ 24 Pick., 359.

In *State* v. *Newton*,* very recently decided, Judge Perkins writes :

" An examination of the act in question satisfies us that the portions of it claimed to be unconstitutional *may be eliminated, and still leave a complete and operative enactment.*"

The case of *United States* v. *Reese*,† in effect recognizes the rule as above laid down.

The learned Chief Justice said :

" We are not able to reject a part which is unconstitutional and retain the remainder, because *it is not possible to separate that which is unconstitutional * * from that which is not.* The proposed effect is not to be attained *by striking out or disregarding* words that are in the section, but by *inserting* those that are not now there.

" The question is whether we can *introduce words* of limitation into a penal statute so as to make it specific." Page 221.

There is nothing to be added here. The court is called upon merely to reject as surplusage specific descriptive words which bring within the terms of the law a class of marks over which, perhaps, Congress had no control.

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* 5 *Reporter*, 524. † 2 Otto, 214.

But, I submit, the acts involved are good in all their length and breadth.

It has been made plain (it is thought) that the protection of trade-marks is a regulation of commere. If, in their application to the marks of citizens of the United States, the natural and reasonable effect of the statutes is to regulate inter-State commerce, they are free from objection.

Much that has been said concerning the power of Congress in respect of foreign marks, applies with equal force in the case of the mark of the citizen of the United States.

The only real difference is that the statutes may, in their application to the mark of the citizen of the United States, INCIDENTALLY AFFECT the internal commerce of the States. This, I submit, is immaterial.*

The leading objection is that they regulate the internal commerce of the States. Reflection will demonsfrate that this argument has no real foundation. They merely *prohibit within the States* a traffic which interferes with commerce between the States and with foreign powers.

Congress has interdicted within the States commerce that involved the sale of paper bearing the water marks of the government; has prohibited sales between citizens of the same State of domestic segars purporting to be imported and, in other similar ways, prevented transactions between citizens of the same State which might tend to obstruct the exercise of its powers.†

Here Congress has simply *prevented transactions between citizens of the same State which involve the use of spurious marks—the obstruction of the right to sell unembarassed by State lines and State restrictions.*

The reputation of an American manufacturer, enlarged and extended by means of his marks, is no more local and restricted by State lines than the reputation of the foreigner. The right to the mark is commensurate with the right to sell. The owner

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* *Gibbons* v. *Ogden, supra*; *U. S.* v. *Holliday, supra*; *U. S.* v. 43 *Gallons, of Whiskey, supra*; *U. S.* v. *Coombs*, 12 Peters, 72; *Wheeling Bridge Case*, 14 *How.* 421; *So. Car.* v. *Georgia*, 3 *Otto*, 13.

† *Ante*, page 8, *et seq.*

of the mark of national reputation is entitled to national protection.

As Congress has power to forbid the sale by a citizen of Massachusetts to a citizen of New York, it has power to protect the sale just as it has power to protect the sale of the foreign producer. If the use in New York of the marks of the citizen of Massachusetts is an incident of his right to sell in New York Congress may protect his marks by registration, just as it may protect those of the foreign producer.

If the acts in question are unconstitutional, the States have power to permit the piracy of the marks of their citizens within their jurisdictions; the State of Maine may enact that it shall be lawful within the State to use the marks of citizens of the State.

The effect of the passage of such a law by all the States would be to materially "interfere with, obstruct or prevent the due *exercise of the power* to regulate commerce with foreign powers and among the States."*

It may be said, in analogy to the comprehensive and profound expressions of the judges of this court in respect of navigable streams, railroads and the telegraph, that the channels of trade have their sources in one State, and cross and terminate in many States. Congress has power to keep these channels free just as it has power to prevent the blocking of the not more important, although more readily distinguished, avenues that have been declared to be within its control.

The river, the railroad, the telegraph, may be said to be but the means whereby the channels of trade are directed and developed.

There are vacuums in commerce just as there are vacuums in nature, and they produce not less certainly the movement of material. In California nature has planted the grape, which she has denied to Massachusetts.

The consequence is that the wine of California, bearing the

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* *U. S.* v. *Coombs, supra.*

marks of its producers, inevitably seeks the markets of Massachusetts, controlled by a commercial law of irresistable force and unmistakable certainty of operation. So of the tobacco of Virginia, the wines of Ohio, the flour of Minnesota, the plows of Illinois, the carpets and fabrics of New England.

If it is competent for the State of Maine to permit the counterfeiting of the marks of her citizens, she has power to deny to her citizens the full enjoyment of the operation of these fundamental causes. She cannot prevent the removal of the spurious goods from the State, and in the markets of other States they work the mischiefs, the loss, confusion and embarassments, of commercial piracy.

The right of the citizen of Maine to sell in other States carries with it the right to be protected in those sales. If the State indirectly embarasses such sales, it transcends its power. It cannot do indirectly what it may not do directly.

The circumstance that the supposed law would operate primarily upon the citizen of the State, and curtail directly only his right, is of no moment. Neither is the fact that the interference with inter-State commerce might, perhaps, be slight. The power of Congress in the premises is absolutely sovereign and cannot be impaired.

It would not be competent for New Hampshire to confirm to her spinners the right to use infected cotton. To do so would be a gross infraction of the rights of citizens of other States. Spurious goods differ from infected goods only in name. They certainly breed an infection that is fatal to the reputation and success of the producer of the genuine goods and his representatives.

In the case of *United States* v. *Coombs*,* a statute forbidding broadly the building or fitting out within the United States of any ship or vessel with intent that the same should be cast away, was sustained.

Mr. Justice Story, writing of the power of Congress to regulate commerce, said:

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* 12 Peters, 82.

"It does not stop at the mere boundary line of a State, nor is it confined to acts done on the water, or in the necessary course of the navigation thereof. It extends to such acts *done on land* which *interfere with, obstruct or prevent the due exercise of* the power to regulate commerce with foreign powers and among the States. Any offence which thus interferes with, obstructs or prevents such commerce or navigation, *though done on land*, may be punished by Congress."*

In *Pensacola Tel. Co.* v. *W. U. Tel. Co.*,† telegraphy was held to be commerce within the sense of the word as used in the Constitution.

Chief Justice Waite, writing for the court, made use of the following language: "Both commerce and the postal service are placed within the power of Congress, because *being national in their operations*, they should be under the protecting care of *the National Government*.

The powers thus granted are not confined to the *instrumentalities of commerce* or the postal service known or in use when the Constitution was adopted, but they keep pace with the progress of the country and *adapt themselves to the new developments of time and circumstances*. They extend from the horse with its rider to the stage coach, from the sailing vessel to the steamboat, from the coach and the steamboat to the railroad, and from the railroad to the telegraph, as these new agencies are successively brought into use to meet the demands of increasing population and wealth. They were intended for the Government to which they relate *at all times and under all circumstances*. As they were intrusted to the General Government for the good of the nation, it is not only the right but the duty of Congress to see to it that intercourse among the States and the transmission of intelligence are not obstructed or unnecessarily encumbered."

In *Henderson* v. *The Mayor*, it is said: "Under the commerce clause of the Constitution or within its compass there are powers which from their nature are exclusively in Congress, and in the case of *Cooley* v. *The Board of Wardens*, it was said that whatsoever subjects of this power are in *their nature*

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* Ibid., 78. † 5 *Reporter*, 516.

national or admit of one uniform system or plan of regulation, may justly be said to be of such a nature as to require exclusive legislation by Congress."

It was said in *Welton* v. *State of Missouri*:* "Commerce is a term of the largest import. It comprehends intercourse for purposes of trade *in any and all its forms*, including the transportation, *purchase, sale and exchange of commodities* between the citizens of our country and the citizens or subjects of other countries, and between the citizens of different States. The power to regulate it embraces *all the instruments by which such commerce may be conducted.* So far as some of these instruments are concerned, and *some subjects which are local in their operation*, it has been held that States may provide regulations until Congress acts with reference to them; but where the subject to which the power applies is *national in its character* or of such a nature as *to admit of uniformity of regulation*, the power is exclusive of all State authority."

It is of moment that the statutes in question do not purport to *create a right.* They have relation to the *regulation of an existing right.* The language is: any person entitled to the use of a lawful mark may obtain protection. Neither do they divest or affect any common law right. On the contrary, the provisions are distinct, that the registration of a mark shall not affect any marks which are not registered.†

Thus the rights of the citizens of the States are in no wise curtailed or prejudicially affected.

The laws operate only to regulate and harmonize one of the leading incidents of the buying, selling and exchanging of *all the goods of all the States, without invading the rights of any citizen of any State.*

The material inquiry is, what commerce do the statutes regulate? I submit that they regulate only a commerce that is essentially and strictly national. If they reach the internal affairs of the States they AFFECT, *not regulate*, them only to an unappreciable extent and in a purely incidental way.

"It will not do to say that the exercise of an admitted power

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* 1 Otto, 280. † Rev. Stat., sec. 4945.

of Congress, conferred by the Constitution, is to be withheld if it appears or can be shown that the effect and operation of the law may incidentally extend beyond the limitation of the power. Upon any such interpretation the principal object of the framers of the instrument in confiding the power would be sacrificed to the subordinate consequences resulting from its exercise."*

ROWLAND COX,
Of Counsel.

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* *Penna.* v. *Wheeling Bridge Co.*, 18 How., 433.